

INTRODUCTION

Last week the verbal battle between the House and Senate became so intense that legislative leaders discussed a "little cooling off" period this week. The House presented and passed their \$31.7 billion budget plan for the upcoming fiscal year starting July 1, which was approved with a 68-36 vote. However, the Senate has expressed no interest in this measure, even announcing it was dead on arrival. So, the Senate in turn proposed their own \$31.4 billion "mini budget" in response. The Senate plan is 240 pages shorter than the House bill and excludes many of the House's provisions, including additional salary increases for teachers and state workers on top of the increases already passed in the long session. The House also declared that they were not interested in the "Senate version" of the budget.

As a reminder, our state's previous budget automatically rolls over if a new budget is not passed, so while new needs might not be met otherwise, the legislature does not have to pass a budget to keep things spinning. Furthermore, given that a full budget for the biennium was passed in the long session, the short session budget proposal simply makes adjustments to the budget that was already passed. The impasse still leaves significant provisions unresolved, notably funding for K-12 private school programs and child care grants, two topics that the Republican legislature has pledged they'd address. Both the House and Senate budgets allocate \$487 million for private school programs and \$135 million to replace expiring federal child care grants. Despite this common ground, the political standoff continues, with Gov. Cooper criticizing the Republican-led budgets for their priorities. "Republican legislators have proposed two terrible budgets that steal billions in taxpayer money from public schools and child care to pay for private school vouchers millionaires will use," Gov. Cooper wrote on X. House and Senate Democrats have also shared similar sentiments regarding the proposed budgets last week.

In addition to criticism from Democrats, Senate leader Berger criticized the House for its high spending and liberal use of reserve funds. Berger mentioned that they are prepared to negotiate if the House aligns its spending numbers more closely with the Senate's preferences, though he acknowledged that an agreement may never be reached.

LEGISLATIVE REPORT July 1, 2024



NORTH CAROLINA COLLEGE OF EMERGENCY PHYSICIANS



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At the end of last week, legislative leaders indicated that the legislature will take a "long vacation" following the July 4th holiday. Then this week, they announced that they would not be able to finalize a budget and would adjourn the session this week, while coming back into session periodically. This week was a mad scramble to finalize bills that were close to finished and fund some urgent matters like the child care cliff and teacher salary increases (they provided those increases in last year's budget but a legal provision was required).

After a hectic and sometimes confusing week, the 2024 "short" legislative session came to a relatively abrupt end Thursday evening. Since the two sides could not agree on a path forward, they instead wrapped up their work and headed back to the districts - at least for now.

Before adjourning, the chambers were able to agree on a couple of funding bills. A child care bill would allocate \$67.5 million in funding for child care centers through the end of the year, and the other would formally authorize pay raises for teachers and other school employees.

Per the adjournment resolution agreed to by both chambers, the General Assembly will come back to take up a limited number of items (including veto overrides, appointments, elections bills, conference reports) on:

- July 10
- July 29-August 1
- September 9-11;
- October 9;
- November 19-22 (possible budget session, see below); and
- December 11-13 (adjourning sine die on Dec 13th).

During the session that starts on November 19th, a wider variety of issues could be taken up, including budget bills, bills that passed one chamber but not the other, bills implementing the recommendations of various commissions that meet during the interim, and a wider variety of other issues.

There were a number of policy and budget priorities for both chambers that did not get done this session, leaving many members and advocates disappointed - but hopeful for further action during the sessions to come, particularly the post-election November session.

Please see below for a list of some of the bills that have passed the General Assembly this week and are now awaiting the Governor's action:

- House Bill 98, Right to Try Individualized Treatments
- House Bill 199, DMV Proposed Legislative Changes
- House Bill 228, Rev. Laws Tech, Clarifying and Admin Changes
- House Bill 942, SHALOM Act
- Senate Bill 355, North Carolina Farm Act of 2024

- Senate Bill 425, HHS Omnibus
- Senate Bill 527, ABC Omnibus 2023-2024
- Senate Bill 607, Regulatory Reform Act of 2024

CONSTITUTIONAL AMENDMENTS

In November, North Carolina voters will decide on a new constitutional amendment that specifies only citizens are allowed to vote. While some Democrats argued that noncitizens are already prohibited from voting, the amendment received bipartisan support and passed both chambers. Additional constitutional amendments, including those on voter ID and income tax, have also passed the Senate but haven't made their way through the House. The House passed its own constitutional amendment, too, that awaits approval from the Senate. This amendment would repeal the state's literacy test rules, which were historically used to disenfranchise Black and other minority voters. If approved, it would be our state's first attempt in 54 years to repeal these rules. The federal Voting Rights Act of 1965 rendered literacy test rules unenforceable, but they still remain part of our state constitution. In 1970, the legislature proposed an amendment to remove these rules, but voters chose to retain them. "The reasons why this was implemented in the past are not representative of this state we all know and love," Rep. Terry Brown told his colleagues on the floor, after thanking Republican legislators for bringing this amendment forward.

A constitutional amendment doesn't need sign-off from the Governor to be added to the ballot. Instead, it just needs approval from three-fifths of both chambers.

VETO OVERRIDES

Three controversial bills have become law after the General Assembly overrode Gov. Cooper's vetoes. One bill reverses some of the 2019 juvenile justice reforms. Another allows billboard companies to cut more roadside trees and increases toll road late fees by up to 50%. The most contentious bill changes public mask-wearing rules, introduces new penalties for protesters, and changes the state's campaign finance laws. Most override votes followed party lines, except for the billboard law, which received some Democratic support in the House.

BUDGET

Although there is no official budget approved for the short session, we have provided some of the relevant budget items below for your review. These have not been approved, but do give us an indication of the budget proposals they will continue to work on that we may see in November.

The proposed House budget released on Monday evening contained some problematic changes to the hospital violence prevention legislation that NCCEP worked on last year and would have delayed some requirements. Thankfully, Rep. Reeder was able to remove the problematic language with a successful floor amendment on Wednesday. In addition, he was able to add language that was discussed with NCCEP and the NCHA that would allow some delay if the hospital has made substantial progress with their security assessments in another bill, Senate 425 as summarized below. Other health care provisions:

- Directs DHHS to modify the quality rating improvement system (QRIS) child care center rating system to offer alternative means for centers to receive a star-rated license, including that accreditation from several national organizations will automatically grant a three or five-star license to a center
- Directs DHHS to separate the QRIS star rating from the requirements and payments for participation in the state's subsidized child care program

- Reduces the required ratio for lead teachers in child care centers
- Partially funds continuation of the child care stabilization grants for the upcoming fiscal year
- Increases Medicaid rates for speech-language therapy and audiology therapy services
- Increases Medicaid rates for durable medical equipment
- Designates recipients of funds from the opioid settlement, including:
 - o directed grants to counties and nonprofit organizations;
 - \$1.15 million for DHHS to use for remediation activities
 - \$340,000 for local health departments to distribute opioid antagonist nasal spray to public schools
 - \circ \$4.66 million for DHHS to distribute opioid antagonist drugs free of charge statewide; and
 - \$4 million for the Department of Adult Correction for medication-assisted treatment for opioid use disorder in correctional institutions
- Modifies the qualification requirements for local health directors
- Directs the Board of Licensed Clinical Mental Health Counselors to issue a clinical mental health counselor associate license to an applicant who has received the minimum graduate training hours from the University of Mount Olive, regardless of certain accreditation of that university
- Requires school systems to provide parents with information about diabetes at the start of each school year
- Requires all UNC System schools that offer degrees and training related to health care to make publicly available the criteria for admission and to report on admissions to the Board of Governors
- Establishes a Nursing Instructor Fellows Program in the UNC System to recruit, prepare and support eligible nursing students for preparation as instructors at public and private postsecondary nursing programs

The budget also would:

- make the following changes to Taylor's Law Establishing the Advisory Council on Rare Diseases: changes the location of the Advisory Council from within the UNC-Chapel Hill School of Medicine to the Department of Health and Human Services; changes the number of the Advisory Council to 19 members; and removes the appointing authority of the Dean of the School of Medicine at UNC-Chapel Hill, and instead, allows the DHHS Secretary to appoint 15 members in line with the qualifications listed;
- amend the appointed membership as follows:
 - increases number of physicians from one to two;
 - removes rare disease survivor, rare disease foundation, parent of childhood rare disease survivor, and medical researcher appointees;
 - removes appointees who are chairs of the NCGA Joint Legislative Oversight Committee on Health and Human Services, or their designees;
 - decreases the number of researchers from State academic research institutions to one receiving any grant funding for rare disease research (currently one representative per State institution receiving any such grant funding);
 - adds the following appointees:
 - one hospital administrator, or the hospital administrator's designee, representing a hospital in the State that provides care to persons diagnosed with a rare disease;

- two persons age 18 or older who have been diagnosed with a rare disease; two persons age 18 or older who are, or were previously, caregivers to a person diagnosed with a rare disease;
- one representative of a rare disease patient organization that operates in the State;
- one pharmacist licensed and practicing in this State with knowledge and experience regarding drugs used to treat rare diseases;
- one representative of the life sciences, biotechnology, or biopharmaceutical industry that either focuses on research efforts related to the development of therapeutic products for persons diagnosed with a rare disease or has demonstrable understanding of the path to commercialization of such products;
- two representatives of a health benefit plan or health insurer, at least one of whom is a representative of a North Carolina Medicaid Managed Care health plan;
- one genetic counselor with experience providing services to persons diagnosed with a rare disease or caregivers of persons diagnosed with a rare disease;
- one member appointed by the President Pro Tempore of the Senate;
- one member appointed by the Speaker of the House of Representatives; and
- one member appointed by the Governor.

BILLS OF INTEREST

<u>SENATE BILL 915</u>, <u>General Assembly Appointments</u>, appoints persons to various public offices upon the recommendations of the President Pro Tempore of the Senate and the Speaker of the House of Representatives as follows:

- Effective November 1, 2024, Vicki A. Harry of Wake County is appointed to the North Carolina Medical Board for a term expiring October 31, 2027. The Honorable Nelson Dollar of Wake County is appointed to the North Carolina Medical Board for a term expiring October 31, 2026, to fill the unexpired term of the Honorable William Brawley.
- Effective January 1, 2025, Brandon Medina of Nash County, Heather L. Hallmark of Pitt County, W. Struble of Wake County, and Gregory Coltrain of Beaufort County are appointed to the 911 Board for terms expiring December 31, 2028.
- Laddie "Brian" B. Rice of Carter County, Tennessee, is appointed to the 911 Board for a term expiring December 31, 2026, to fill the unexpired term of Christopher W. Hummel.
- Effective November 1, 2024, Robert E. Barnhill, III, of Nash County is reappointed to the Board of Directors of the UNC Health Care System for a term expiring October 31, 2028.
- Molly R. Jordan of Durham County and Sherry L. Bernardo of Lincoln County are appointed to the North Carolina State Commission for Public Health for terms expiring April 30, 2027.
- Kate McCullough of Mecklenburg County is appointed to the License to Give Trust Fund Commission for a term expiring December 31, 2025.
- Effective January 1, 2025, Dr. David B. Leeser of Pitt County, Ingrid Schunder of Forsyth County, Michael Lalor of Forsyth County, and Andrew C. Munn of Wake County are appointed to the License to Give Trust Fund Commission for terms expiring December 31, 2026.

- Effective November 1, 204, the Honorable Richard Stevens of Wake County is appointed to the University of North Carolina Health Care System Board of Directors for a term expiring October 31, 2028.
- Effective July 1, 2024, Kirsten Barboza, PT, MBA, FACHE of Gaston County is appointed to the Brain Injury Advisory Council for a term expiring June 30, 2029.

Effective: June 27, 2024, except where otherwise provided.

SENATE JOINT RESOLUTION 916, Adjournment Resolution, provides that when the House and Senate adjourn on Friday, June 28, 2024, they stand adjourned to reconvene on the following dates: July 10, 2024 July 29 - August 1, 2024, September 9 - 11, 2024, November 19 - 22, 2024, and December 11 - 13, 2024. Please note that only the November session allows discussion of the budget.

For all of the sessions except the November session (see below), only the following matters may be considered:

- bills returned by the Governor with his objections under Section 22 of Article 6 II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill;
- bills providing for the selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for which the appointees were elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, President Pro Tempore of the Senate, or a minority leader of a chamber of the General Assembly;
- bills providing for action on gubernatorial nominations or appointments;
- bills responding to actions related to litigation challenging the legality of legislative enactments;
- any bills relating to election laws, including bills concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials, and containing no other matters;
- bills providing for impeachment pursuant to Article IV of the North Carolina Constitution or Chapter 123 of the General Statutes;
- simple resolutions addressing organizational matters of each respective house;
- adoption of conference reports; and
- a joint resolution further adjourning the 2023 Regular Session, amending a joint resolution adjourning the 2023 Regular Session, or adjourning the 2023 Regular Session, sine die.

For the session convening on Monday, November 18, 2024, only the following matters may be considered:

- <u>Bills directly and primarily affecting the State budget, including (i) the budget of an occupational licensing board for fiscal year 2024-2025 and (ii) bills authorizing a fee for a unit of State government or political subdivision of the State, provided that the bill was introduced in the House of Representatives or filed for introduction in the Senate no later than 4:00 P.M. Thursday, May 2, 2024.</u>
- Bills: (i) Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter. (ii) Proposing an amendment or amendments to the North Carolina Constitution and containing no other matter other than statutory conforming changes to implement such bills. (iii) Solely making statutory and transitional changes to implement bills under sub-subdivision a. of this subdivision.
- Bills and resolutions introduced in 2023 (i) that passed third reading in 2023 in the house in which introduced, were received in the other house in accordance with Senate Rule 41

or House Rule 31.1(h), as appropriate, and not disposed of in the other house by tabling, unfavorable committee report, indefinite postponement, or failure to pass any reading, and which do not violate the rules of the receiving house or (ii) not subject to the deadline set forth in Senate Rule 41 or House Rule 31.1(h), as appropriate.

- Bills and resolutions implementing the recommendations of: (i) Study commissions, authorities, and statutory commissions authorized or directed to report to the 2023 Regular Session. (ii) The General Statutes Commission, the Courts Commission, or any commission created under Chapter 120 of the General Statutes that is authorized or directed to report to the General Assembly. (iii) The House Ethics Committee. (iv) Select committees. (v) The Joint Legislative Ethics Committee or its Advisory Subcommittee. Specifies that a bill authorized by this subdivision must have been filed for introduction in the Senate or introduced in the House of Representatives no later than 4:00 P.M. Wednesday, May 1, 2024.
- Any local bill that was introduced in the House of Representatives or filed for introduction in the Senate by 4:00 P.M. Tuesday, May 7, 2024.
- Bills providing for the selection, appointment, or confirmation as required by law, including the filling of vacancies of positions for which the appointees were elected by the General Assembly upon recommendation of the Speaker of the House of Representatives, President of the Senate, President Pro Tempore of the Senate, or a minority leader of a chamber of the General Assembly.
- Bills providing for action on gubernatorial nominations or appointments.
- Any matter authorized by joint resolution passed by a two-thirds majority of the members of the House of Representatives present and voting and by a two-thirds majority of the members of the Senate present and voting. A bill or resolution filed in either house under the provisions of this subdivision shall have a copy of the ratified enabling resolution attached to the jacket before filing for introduction in the Senate or introduction in the House of Representatives.
- A joint resolution authorizing the introduction of a bill pursuant to subdivision (8) of this section.
- Any bills primarily affecting any State or local pension or retirement system that were introduced in the House of Representatives or filed for introduction in the Senate no later than 4:00 P.M. Thursday, May 2, 2024.
- Joint resolutions and simple resolutions authorized for introduction under Senate Rule 40.1 or House Rule 31.
- Bills returned by the Governor with objections under Section 22 of Article II of the North Carolina Constitution, but solely for the purpose of considering overriding of the veto upon reconsideration of the bill.
- Bills responding to actions related to litigation challenging the legality of legislative enactments.
- Any bills relating to election laws, including bills concerning the districts for Congressional, State House, State Senate, judicial, municipal, county, and other elected officials.
- Bills to disapprove rules under GS 150B-21.3.
- Bills providing for impeachment pursuant to Article IV of the North Carolina Constitution or Chapter 123 of the General Statutes.
- A joint resolution further adjourning the 2023 Regular Session, amending a joint resolution adjourning the 2023 Regular Session, or adjourning the 2023 30 Regular Session, sine die.

The Speaker of the House of Representatives of the President Pro Tempore of the Senate may authorize appropriate committees or subcommittees of their respective houses to meet during the interims between sessions to (i) review matters related to the State budget for the 2023-2025 fiscal biennium, (ii) prepare reports, including revised budgets for the 2023-2025 fiscal biennium, or (iii) consider any other matters as the Speaker of the House of Representatives or the President Pro Tempore of the Senate deems appropriate. A conference committee may meet in the interim upon approval by the Speaker of the House of Representatives or the President Pro Tempore of the Senate. <u>Effective</u>: June 28, 2024.

BILL UPDATES

<u>HOUSE BILL 44, Const. Amendment/Repeal Literacy Test.</u> This proposed constitutional amendment was amended on the House floor to specify that the State Board of Elections must certify the results of the referendum and that if a majority of the votes are in favor of the referendum, then the Secretary of State must enroll the amendment so certified among the permanent records of that office. The bill also provides that if the certification from the State Board of Elections reflects that a majority of votes cast on the question are in favor of the amendment, then the amendment is effective upon certification. The bill as amended was approved by the full House and will next be considered by the Senate Rules Committee for consideration.

HOUSE BILL 74, Constitutional Amendment/COS Vacancies, was amended in the House Rules Committee to:

- provide that for vacancies for Secretary of State, Auditor, Treasurer, Superintendent of Public Instruction, Attorney General, Commissioner of Agriculture, Commissioner of Labor, and Commissioner of Insurance, if the officer was elected as a nominee of a political party the Governor must appoint from a list of three qualified persons recommended by the political party with which the vacating officer was affiliated at the time of election, if that political party makes a recommendation within 30 days of the occurrence of the vacancy; and
- require that the constitutional amendment be submitted to the qualified voters of the State at the statewide general election to be held on November 5, 2024, (was, at the general election in 2024).

The bill as amended was approved by the House Rules Committee and was scheduled for hearing on the House floor; however, the bill was sent back to the House Rules Committee for further consideration.

<u>HOUSE BILL 237</u>, <u>Unmasking Mobs and Criminals</u>, was vetoed by Governor Cooper on June 21, 2024. In his message, the Governor stated, "This legislation creates a gaping loophole for secret, unlimited campaign money in the middle of an election year. While voters are kept in the dark, this scheme allows anonymous out-of-state billionaires to flood North Carolina with campaign contributions to rescue extreme right-wing candidates that Republicans now fear will lose. The legislation also removes protections and threatens criminal charges for people who want to protect their health by wearing a mask." The House and Senate voted to overturn the Governor's veto and the bill became law notwithstanding the Governor's objections. Effective: June 27, 2024.

<u>HOUSE BILL 287, Health Care Omnibus</u>, was amended by the Senate Health Care Committee to remove changes to the definition of "nursing care" in the certificate of need definitions and redefine "rehabilitation facility" to be a facility designated as an inpatient facility by CMS. The new version also encourages the Secretary of the Department of Health and Human Services and the LME/MCOs to enter into intergovernmental agreements with the Eastern Band of Cherokee Indians to facilitate use of tribal health facilities by any state residents. **The bill was approved by**

the Senate Health Care Committee and will next be considered by the Senate Rules Committee.

HOUSE BILL 563, Hemp-Derived Consumables/Con Sub Changes. A variety of changes were made to this bill in the Senate Rules Committee and on the Senate floor to:

- impose an excise tax of 10.5% on the retail sale of a hemp-consumable product in addition to any other applicable federal, State, or local tax;
- require hemp-derived consumable products retailers to register with the Department of Revenue;
- enact the "NC Compassionate Care Act," to require the Department of Health and Human Services to issue registry identification cards to persons who qualify as qualified patients or designated caregivers to:
 - establish an 11-member Compassionate Use Advisory Board, and allow the Advisory Board to approve adding a debilitating medical condition;
 - set standards for physicians issuing written certification of debilitating medical conditions, require physicians to complete a ten-hour continuing medical education course on prescribing cannabis and an annual three-hour supplemental medical education course thereafter, require maintaining records of compliance for six consecutive years with permitted inspection by the Department of Health and Human Services (DHHS) or the NC Medical Board or its agents, require physicians to register written certifications in the medical cannabis registry database electronically, and limit issuance to patients with whom the physician has a bona fide physician-patient relationship;
 - list criteria and procedures for DHHS's issuance or renewal of registry identification cards, and provide for limited issuance of registry identification cards to minors;
 - require DHHS to create a secure, confidential, electronic medical cannabis registry database of all qualified patients and designated caregivers to whom DHHS has issued cards, consisting of the name, address, and photo of the cardholder; the name, address, and hospital affiliation of the physician that issued the respective written certification; a photo of the cardholder; the adequate supply of cannabis or cannabis-infused product prescribed to the cardholder; and the prescribed delivery method for the cannabis or cannabis-infused product for the cardholder;
 - allow law enforcement to contact DHHS to confirm a cardholder's identity if the law enforcement agency is unable to verify the registry identification cardholder by using the medical cannabis verification system;
 - establish an 11-member Medical Cannabis Production Commission with oversight of medical cannabis supplier licensing and licensee discipline;
 - establish criteria for licensing medical cannabis suppliers to (1) grow, cultivate, produce, or sell cannabis or cannabis-infused products; (2) operate a business to produce cannabis or cannabis-infused products; or (3) establish or operate a medical cannabis center for the sale of cannabis, cannabis-infused products, and paraphernalia relating to the administration of cannabis to qualified patients and designated caregivers who hold valid registry identification card;
 - provide civil and criminal immunity for a registry identification cardholder for purchasing or possessing cannabis for medical use if the quantity does not exceed an "adequate supply" for the patient as determined by their physician and the cannabis or cannabis-infused product is contained in packaging bearing the label required;

- specify that the new Article does not authorize a registry identification cardholder to engage in the smoking of cannabis or the vaping of cannabis for medical use in seven places identified by the act, including (1) in a public place or a place open to the public, (2) in any place of employment, (3) in a vehicle, or (4) in or within 1,000 feet of the property line of a church, child care facility, public school or nonpublic school, community college or UNC facility or grounds;
- include criminal penalties, including making it a Class 3 misdemeanor to possess cannabis or a cannabis-infused product, other than in a closed retailer's container as packaged, in a passenger compartment of a vehicle in a public vehicular area or on a public street or highway;
- require DHHS to establish a web-based verification system allowing DHHS personnel, State and local law enforcement personnel, and medical cannabis centers to enter a registry identification card number to determine whether the number corresponds with a current, valid registry identification card;
- establish hour, location, and age restrictions for medical cannabis centers, as well as advertising restrictions;
- exempt from sales tax cannabis or cannabis-infused products sold by a medical cannabis center to a registry identification cardholder;
- amend the prohibition on knowingly, or having reason to know, selling a hempderived consumable product to a person under age 21, to require a seller of hempderived consumable products demand proof of age from a prospective purchaser before releasing the product to the purchaser if the seller has reasonable grounds to believe that the prospective purchaser is under age 30, and to require an online seller of hemp-derived consumable products to verify a prospective purchaser's age and use a method of delivery that requires the signature of a person at least 21 years of age before the hemp-derived consumable product is released;
- expand the additional advertising restrictions pertaining to additional requirements and restrictions for hemp-derived consumable products by preventing labeling such products in a way that depicts or signifies characters or symbols as candy, cereals, sweets, chips, or other food products typically marketed to persons under 21 years of age
- amend provisions concerning the Commission for Mental Health, Developmental Disabilities, and Substance Abuse Service's authority to control certain controlled substances schedules so that marijuana cannot be rescheduled or deleted under the NC Controlled Substances Act if it is rescheduled or deleted as a controlled substance under federal law unless the General Assembly enacts legislation;
- require a practitioner to do the following when prescribing a Schedule II controlled substance as medication: (1) provide information regarding all of the following to each patient receiving the prescription: the potential dangers of opioids, overdose prevention, and the availability and use of a drug approved by the federal Food and Drug Administration as an opioid antagonist for the complete or partial reversal of opioid-induced respiratory depression; (2) provide this information to one or more persons designated by the patient receiving the prescription or, for minors, to the minor's parent, guardian, or person standing in loco parentis. A *practitioner* is defined as: (1) a physician, dentist, optometrist, veterinarian, scientific investigator, or other person licensed, registered or otherwise permitted to distribute, dispense, conduct research with respect to or to administer a controlled substance so long as such activity is within the normal course of professional practice or research in this State or (2) a pharmacy, hospital or other institution licensed, registered, or otherwise permitted to distribute, dispense, conduct

research with respect to or to administer a controlled substance so long as such activity is within the normal course of professional practice or research in this state.

The bill as amended was approved by the Senate Rules Committee and full Senate. The bill has been sent to the House Rules Committee to consider the changes made to the bill in the Senate. The Senate has wanted a medical marijuana bill for the last few sessions and this is its most recent attempt to pass that bill by adding to a bill from the House. However, the House sent the bill to the House Rules Committee and did not take up the bill before the end of the session.

<u>HOUSE BILL 900</u>, <u>Certain CIHS Partners/Regulate Tobacco Prod.</u>, was amended by the Senate Judiciary committee to add language regulating tobacco products. Among other changes, the new language:

- Creates definitions for "alternative nicotine product" and "consumable product;"
- Adds requirements, including civil penalties, for the Department of Revenue to certify vapor products;
- Requires development of a public directory of manufacturers of consumable and vapor products; and
- Establishes enforcement mechanisms for manufacturers.

The bill was approved by the full Senate and the full House and will be sent to the Governor for his signature.

<u>HOUSE BILL 1074</u>, <u>Constitutional Amendment/Citizens-Only Voting</u>. This legislation amends the State Constitution, if approved by the qualified voters of the State at the statewide general election to be held on November 5, 2024, to provide that only a citizen of the United States who is 18 years of age and otherwise possessing the qualifications for voting shall be entitled to vote at any election in this State. **The bill was approved by the House and Senate and became law on June 28, 2024**.

<u>SENATE BILL 88, Various Elections Changes</u>. The provisions of this bill were removed in the Senate Redistricting and Elections Committee and replaced with new provisions to:

- amend provisions regarding canvassing votes so that prior to 5:00 pm on the third business day before the canvass meeting, the county board of elections, must, in a uniform manner, review official records of the names of residents of the State who are deceased and who are serving felony sentences and compare those records to the records of voters who cast a ballot during early voting or cast an absentee ballot in the county. The county director of elections, or his or her designee must challenge the ballot, whether cast during early voting or by absentee ballot, of any voter identified through these records who was not eligible on the day of the election by reason of death or felony conviction;
- add *artificial intelligence (AI)* to definitions governing disclosure requirement for media adverts and increase the basic disclosure requirements for all political advertisements to include in any ad created in whole or in part with the use of generative AI if the generated content appears to depict a real person performing an action that did not actually occur, was created to injure candidate or deceive regarding a ballot issue, or provides false or misleading information to a voter, that the sponsor discloses the use of generative AI. The advertisement must bear the legend or include the statement: "The content in this advertisement has been edited or created in whole or in part with the use of generative AI." In television advertisements, this disclosure must be made by visual legend. Includes failure to include any required statement or bear a required legend as one of the violations of the statute that constitutes a Class 1 misdemeanor;

- require the State Board of Elections to require that county board of election use signature verification software to check the signatures of voters noted on executed absentee ballots before they are accepted by county boards under GS 163-231 (concerning transmission of voted absentee ballots to the county board of elections;
- extend the pilot program on signature verification on executed mail-in absentee ballots to the 2024 general election, and direct that for the 2024 primary, the selected county boards of elections must conduct the signature matching for all mail-in absentee ballots that were counted by the county board during that primary. For the 2024 general election, the selected county boards of elections must conduct the signature matching for all mail-in absentee ballots that were ballots as the applications are approved by the county board. Extends the Board's reporting deadline from May 1, 2024 to January 29, 2025;
- amend provisions concerning limits on each local government entity's authority to modify the structure of its governing board to specify that it may only exercise such authority if the alteration is effective the election subsequent to the return of the next federal decennial census after the effective date of the local act.

The bill as amended was approved by the Senate Redistricting and Elections Committee and after amendment on the floor, the full Senate. The bill will next be considered by the House Rules Committee.

<u>SENATE BILL 332, 2023 Appropriations Act Changes</u>. This bill was amended on the House floor to include the necessary language to allow the teacher's salary increases to become effective. The bill was approved by the House and the Senate and will next be sent to the Governor for his signature.

<u>SENATE BILL 356</u>, <u>Constitutional Amendment/Photo ID</u>, was amended in the House Rules Committee to amend the State Constitution, subject to approval by voters at the statewide election on November 5, 2024, to require all voters (was, only voters offering to vote in person) to present photo identification before voting. **The bill as amended was approved by the House Rules Committee and was scheduled to be heard; but has been sent back to the Committee for further consideration**.

SENATE BILL 357, Adjustments to the 2023 Appropriations Act, was amended in the House Rules Committee to amend the allocation of funds appropriated to the Department of Health and Human Services, Division of Child Development and Early Education, by (1) removing the cap of \$215 million on funds used to reduce the waitlist for children eligible for subsidized child care who are in foster care and after addressing that waitlist, working toward reducing the waitlist for children eligible for subsidized child care and (2) no longer requiring that at least \$50 million be used to modernize and improve early childhood technology infrastructure (maintains the cap of \$59 million on these uses). The bill as amended was approved by the House Health Committee and the full House. The Senate agreed to the changes made to the bill in the House and the bill has been sent to the Governor for his signature. <u>SENATE BILL 425</u>, <u>HHS Omnibus</u>, was amended by the House Health committee to completely replace the previous contents with various health provisions, including language that:

- Adds requirements to hospital emergency department security risk assessments and delays the date by which some hospitals must implement a security plan that includes an on-site law enforcement officer (This provision was added after a meeting with Rep. Reeder, the North Carolina College of Emergency Physicians and NCHA about some issues with the implementation of the violence bill from last year. An extension is allowed if the hospital can show substantial compliance with the security assessment requirements);
- Specifies the manner in which a disabled adult shall be served a petition and notice of hearing regarding the adult's need for protective services;
- Amends the definition of a family child care home to allow up to 10 children;
- Strengthens the required educational and experience qualifications for local health directors;
- Includes half siblings of children in foster care in kinship care provision reimbursement;
- Clarifies that a first responder must be on duty to receive surrender of an infant;
- Updates the guidelines around parental consent for trauma-informed standardized assessments;
- Directs DHHS to modify the quality rating improvement system (QRIS) child care center rating system to offer alternative means for centers to receive a star-rated license, including that accreditation from several national organizations will automatically grant a three or five-star license to a center;
- Extends the exception for Medicaid coverage through prepaid health plans for prison inmates post-release for a limited period of time and adds an exception for inmates in non-prison detention settings whose Medicaid eligibility has been suspended.

The bill was approved by the House Health Committee and the full House. The Senate failed to agree with the House changes, so the bill was worked out in a conference committee. The updated language was then approved by both the House and the Senate and will next be sent to the Governor for his signature.

<u>SENATE BILL 607</u>, <u>Regulatory Reform Act of 2024</u>. As this bill was moving through the Senate, it was amended to include language that would create a regulatory structure for the healing arts such as reflexology and naturopathic medicine. The House Health Chairs objected to this language being included without a hearing in the Health Care Committee and after a promise to hear the original bill in committee, the provision was removed from the bill in an amendment on the House floor. The bill was approved by the full House and the full Senate and will be sent to the Governor for his signature.

<u>SENATE BILL 630</u>, <u>Various Constitutional Amendments</u>, was amended in the Senate Redistricting and Elections Committee and on the Senate floor to add the following Constitutional Amendments to the Fall ballot:

- subject to approval by voters at the statewide election on November 5, 2024, amends Section 2 of Article VI of the North Carolina Constitution to require all voters (was, only voters offering to vote in person) to present photo identification before voting;
- subject to approval by voters at the statewide election on November 5, 2024, amends Section 2 of Article V of the North Carolina Constitution by lowering the cap on income tax from 7% to 5%. If approved, effective upon certification by the State Board of Elections and applicable to taxable years beginning on or after January 1, 2025;
- removes the proposed amendment to Section 1 of Article VI of the North Carolina Constitution that would have specified that only a US citizen is allowed to vote.

The bill as amended was approved by the full Senate and will next be considered by the House Rules Committee.

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